

Issue 9	Affordable and Particular Needs Housing	
Development plan reference:	Policy RD4 - Affordable Housing, page 32 Policy RD6 - Particular Needs Housing Accommodation, page 33	Reporter: David Buylla
Body or person(s) submitting a representation raising the issue (including reference number):		
Lynne Palmer (00239) Fossway & District Community Council (00830) Thomson Homes Ltd/Cocklaw Developments Ltd (00870) McCarthy & Stone Retirement Lifestyles Ltd (00883) Councillor Michael Barnacle (02633) Crieff Hydro Estate (07710) The Gleneagles Hotel (09004) Scone Palace & Estate (09163) Emac Planning LLP (09727) Blairgowrie & Rattray Community Council (10002) Stewart Milne Homes (10080) Homes for Scotland (10214) David Wilson Homes (10227)		
Provision of the development plan to which the issue relates:	Sets out the affordable housing and particular needs housing policies for Perth and Kinross	
Planning authority's summary of the representation(s):		
<u>Change to Policy RD4 - Percentage quota</u> Lynne Palmer (00239/5/001): More affordable housing units are needed and the quota of 25% of new builds or conversions to be affordable housing is not enough. There should never be less than one third of the units on a site built as affordable housing.		
<u>Change to Policy RD4 wording - Flexibility</u> Thomson Homes Ltd/Cocklaw Developments Ltd (00870/5/001): The policy must be flexible to support development. Policy RD4 needs to state that consideration of the overall development viability of the project and the availability of investment funding for the development will be taken into account when assessing the requirement for affordable homes.		
Homes for Scotland (10214/1/001): Policy should acknowledge that the cumulative impact of developer contributions can affect development viability and there should be flexibility to deliver less than 25% affordable housing in order to help to deliver development; the flexibility in the policy needs to be made clearer. Affordable Housing Supplementary Guidance (Core_Doc_063).		
Emac Planning LLP (09727/3/001): Seeking flexibility on the 25% quota when other developer contributions are having a cumulative detrimental impact on the viability of a site.		
Stewart Milne Homes (10080/17/001): To deliver development and maximise affordable housing in the current economy the policy needs to be more flexible rather than have a		

rigid 25% quota. PAN 2/2010 (pg 5, paragraph 17) (S4\_Doc\_180); Scottish Planning Policy (pg 18, paragraph 87) (S4\_Doc\_100)

Scone Palace and Estate (09163/4/007): Conversion to housing is a good way to ensure a future for many traditional and historic buildings that are otherwise redundant for their original use; additional costs such as contributions to affordable housing will make these projects potentially unviable.

#### Highlight alternative tenures in Policy RD4 wording

David Wilson Homes (10227/1/003): Whilst in agreement with the principle of a 25% affordable housing policy reference should be made in the policy to the alternative tenures of affordable housing, not just social rented accommodation. PAN 2/2010: Affordable Housing & Housing Land Audits (Core\_Doc\_019)

Fossway & District Community Council (00830/1/016): Supports the policy as it enables provision of low cost housing as part of developments. More affordable housing is needed; there is a continued need for low-cost housing in the Kinross area.

McCarthy & Stone Retirement Lifestyles Ltd (00883/1/001): Supports the Council's approach to affordable housing contributions detailed within Policy RD4. Affordable Housing Supplementary Guidance (Core\_Doc\_063).

Councillor Michael Barnacle (02633/1/007): Supports Policy RD4

#### Location of Affordable Housing Contribution

Blairgowrie & Rattray Community Council (10002/1/002): It should be considered that people who need affordable housing can often not afford a car, so need to be close to facilities.

#### Change to Policy RD6 criteria

Crieff Hydro Estate (07710/5/001): Suitable sites should not be confined to existing residential areas; there may be other suitably located sites close to amenities and services within environments which already provide accommodation in safe, comfortable, caring and secure surroundings. Sites which are not in residential areas can provide an appropriate environment for older people housing which will increase supply and choice. Housing Need and Demand Assessment (2009) (Core\_Doc\_055)

Houses in Multiple Occupation should not be included within the criteria of this policy.

Scone Palace and Estate (09163/4/008): In order to increase the number of housing units for older people and provide more choice retirement villages should be taken into account within the policy.

#### Addition to Policy RD6 to include new definition

The Gleneagles Hotel (09004/3/001): Increasing the supply of key worker housing on-site at tourist developments would meet some housing need and could be a form of particular needs housing.

Lynne Palmer (00239/8/001): Increase choice in the housing supply. Perth and Kinross does not have enough one-bedroom flats. There are more people living alone now and these people are as in need and important as special needs people like the elderly.

McCarthy & Stone Retirement Lifestyles Ltd (00883/1/002): Supports the policy for positively addressing the accommodation needs of an ageing population through Policy RD6: Particular Needs Housing Accommodation. The policy addresses the increasing need for this type of accommodation and supports increase in housing supply.

Councillor Michael Barnacle (02633/1/008): Supports the policy as a method of increasing the supply of particular needs housing.

### **Modifications sought by those submitting representations:**

#### Change to Policy RD4 - Percentage quota

Lynne Palmer (00239/5/001): Affordable housing requirement should be increased to a minimum 33% quota.

#### Change to Policy RD4 wording - Flexibility

Thomson Homes Ltd/Cocklaw Developments Ltd (00870/5/001): Policy wording should be altered to take account of development viability.

Homes for Scotland (10214/1/001): A sentence should be inserted into the policy which highlights the flexibility within the policy to deal with development viability considerations.

Emac Planning LLP (09727/3/001): Wording should be inserted to highlight the flexibility within the policy to deliver less than 25% affordable housing contribution on development viability grounds.

Stewart Milne Homes (10080/17/001): Policy RD4 should be changed to read:

*'Housing developments of five units or more are expected to contribute to the target of 25% of the total number of units are affordable housing. This will be assessed on a site by site basis taking into account all aspects of development viability.'*

Scone Palace & Estate (09163/4/007): Remove the reference to 'including conversions' because conversions of traditional buildings are particularly difficult and expensive to undertake.

#### Highlight alternative tenures in Policy RD4 wording

David Wilson Homes (10227/1/003): Insert a sentence to make clear that all the tenures in PAN 02/2010 (Core\_Doc\_019) can be used to deliver the affordable housing requirement. An extra sentence should be included in RD4 at the end of paragraph 3 stating:

*'The type of affordable housing provided should be in accordance with the various options in tenures suggested in PAN 2/2010'.*

#### Location of Affordable Housing Contribution

Blairgowrie & Rattray Community Council (10002/1/002): Policy should make provision for more affordable housing in and around the town centre.

#### Change to Policy RD6 criteria

Crieff Hydro Estate (07710/5/001): Seeks a modification to Policy RD6 which acknowledges and responds to the accommodation needs of an ageing population. Seeks policy to refer to accommodation for an ageing population rather than particular needs; and to widen areas where development will be supported.

Seeks reference to category (b) 'Houses in Multiple Occupation' be removed and become a separate policy.

Scone Palace & Estate (09163/4/008): Seeks to add 'Retirement villages' as a type of particular needs housing development. An additional criteria should be added to the policy as follows:

The Council will support proposals for particular needs housing and accommodation which fall into one of more of the following categories:

*(a) Residential developments supporting housing for particular needs, such as housing for the frail, elderly or special needs, and housing for varying needs must be suitably located for both residents and visitors, providing both high quality care and minimal impact on the environment; and should be located in residential areas where residents have access to local services and facilities and are integrated within the local community.*

*(b) Houses in Multiple Occupation (HMOs), including change of use and new build applications, where a need for such accommodation can be demonstrated; and it does not affect the residential amenity of an area by creating problems with waste collection, or parking/road safety issues.*

*(c) Retirement villages*

*In all cases Development must be compatible with the residential nature of the area.'*

#### Addition to Policy RD6 to include new definition

The Gleneagles Hotel (09004/3/001): Seeks change to include 'key worker accommodation' within the policy and therefore seeks an additional reference in the category (a) list to include 'key-worker accommodation'.

Lynne Palmer (00239/8/001): The wording in category (a) to be widened to include reference to single people as well as frail, elderly or special needs.

#### **Summary of responses (including reasons) by planning authority:**

##### Change to Policy RD4 - Percentage quota

Lynne Palmer (00239/5/001): Scottish Planning Policy, (Core\_Doc\_048) states authorities may seek a percentage of affordable housing contribution where this is justified by the Council's Housing Need & Demand Assessment. The benchmark figure (PAN 02/2010, paragraph 14 (S4\_Doc\_183)) is that each site should contribute 25% of the total number of housing units as affordable housing. The Council's Housing Need & Demand Assessment Housing Need and Demand Assessment (2009) page 103 (Core\_Doc\_055) does support a higher percentage requirement in all of the Housing Market Areas however, it is the Council's view that a higher percentage is not deliverable due to the current economic climate and its effect on development viability, coupled with the reduction in Scottish Government funding through the Affordable Housing Supply Programme; therefore it is felt that the benchmark of 25% across the whole Perth and Kinross area is a realistic and deliverable quota.

No modification is proposed to the Plan.

##### Change to Policy RD4 wording - Flexibility

Thomson Homes Ltd/Cocklaw Developments Ltd (00870/5/001): Acknowledge the policy should be flexible to support development as set out in paragraph 87 Scottish Planning Policy (Core\_Doc\_048). The Council considers that the policy itself is flexible and the details of this are set out in the Affordable Housing Supplementary Guidance, paragraph 5.15, (S4\_Doc\_184). It is not felt necessary to highlight this in the policy wording itself. The flexibility in the policy has been demonstrated in its application where the affordable

housing requirement has been reduced due to the economic viability of the development; an example is planning application ref: 12/00552/FLL (S4\_Doc\_333) for a development of 10 houses where the development was evidenced that it could not support both the education and affordable housing contributions and the affordable housing contribution was therefore reduced to facilitate the project going ahead.

No modification is proposed to the Plan.

Homes for Scotland (10214/1/001); Emac Planning LLP (09727/3/001): Acknowledge the policy should take account of the cumulative impact of developer contributions affecting development viability in some circumstances; the Council considers that the policy itself is flexible and the details supporting this are set out in the Affordable Housing Supplementary Guidance, paragraph 5.15 (S4\_Doc\_184). It is not felt necessary to highlight this in the actual policy wording itself. The example of planning application ref: 12/00552/FLL (S4\_Doc\_333) detailed above highlights the flexibility in the policy.

No modification is proposed to the Plan.

Stewart Milne Homes (10080/17/001): The policy has a benchmark quota of 25% which is supported by the Council's Housing Need & Demand Assessment Housing Need and Demand Assessment (2009) page 103 (Core\_Doc\_055). There is flexibility within the policy to reduce the affordable housing requirement if there is supporting evidence of the development's viability being undermined, as per paragraph 87 Scottish Planning Policy (Core\_Doc\_048). The details supporting this are set out in the Affordable Housing Supplementary Guidance, paragraph 5.15 (S4\_Doc\_184) and recent planning decisions (as highlighted in the earlier example of planning application ref: 12/00552/FLL (S4\_Doc\_333)) show how the policy is being flexibly applied to reduce the affordable housing requirement where appropriate. It is not felt necessary to amend the policy wording as suggested.

No modification is proposed to the Plan.

Scone Palace & Estate (09163/4/007): Acknowledge that certain conversions can incur greater development costs however the Council believe that this phrase should remain in the guidance as the affordable housing contribution can be reduced to take account of abnormal development costs and can therefore work towards keeping projects viable. It is highlighted that not all conversions are of historic buildings or buildings that may incur higher development costs (for example a house in multiple occupation to general housing) so to remove this phrase is not considered appropriate. See paragraph 5.15, Affordable Housing Supplementary Guidance (S4\_Doc\_184).

No modification is proposed to the Plan.

#### Highlight alternative tenures in Policy RD4 wording

David Wilson Homes (10227/1/003): It is not considered necessary to set out the various tenures of affordable housing within the policy wording itself, or add the sentence as proposed, as they are clearly covered in the Affordable Housing Supplementary Guidance, section 4 (page 11) (S4\_Doc\_185). The supplementary guidance can be updated to take account of any changes in Scottish Government policy or advice which allows the policy to be flexible and introduce any such changes whereas this would not occur if the policy wording was altered.

No modification is proposed to the Plan.

Location of Affordable Housing Contribution

Blairgowrie & Rattray Community Council (10002/1/002): It is not considered appropriate to modify the policy to take account of this comment. This point is taken into consideration when determining the most appropriate affordable housing contribution for a site and is covered in the Affordable Housing Supplementary Guidance, paragraph 5.2 (S4\_Doc\_186). The policy seeks a 25% requirement in town centres where appropriate; colleagues in the Council's Housing service consider a number of factors, including accessibility, when determining whether the affordable housing contributions should be provided on-site. It is noted there is also a need to ensure there is affordable housing available for those working in the rural economy on low wages to live close to work so on some occasions a more rural location is more appropriate than a town centre location. The Council recognises there are affordable housing needs in town centres, particularly for smaller single person accommodation, but this has to be balanced against the needs of other groups who neither desire nor need a town centre location. It is important to ensure town centres have a good mix of tenures in order to have vibrant and sustainable communities.

No modification is proposed to the Plan.

Change to Policy RD6 criteria

Crieff Hydro Estate (07710/5/001): It is considered appropriate that the policy seeks to ensure particular needs housing is located in sustainable residential locations rather than other areas which do not have appropriate access to local services and facilities. This will help to form sustainable mixed communities, support local facilities and use existing transport routes and services.

No justification has been presented to separate Houses in Multiple Occupation into a new policy and the Council regards this policy as the most appropriate point to cover the issue.

No modification is proposed to the Plan.

Scone Palace & Estate (09163/4/008): The thrust of this policy is to ensure that particular needs housing is appropriately located in sustainable residential locations, whilst protecting existing residential amenity. Retirement villages provide for the general housing needs of a wide age group, often with an entry requirement which only requires one resident in a house to be over 55 years old. This forms part of the marketing for such a development. In form they may vary little from general needs housing and it is more appropriate that they are considered within the context of general housing allocations and located in areas suitable for residential development. The Council feel that the criteria to ensure a site is suitable for a retirement village are likely to be more onerous to ensure accessibility in terms of transport and access to facilities and support, and this may run contrary to the presumed aim of the respondent to increase flexibility.

No modification is proposed to the Plan.

Addition to Policy RD6 to include new definition

The Gleneagles Hotel (09004/3/001): It is acknowledged that staff accommodation on-site at tourist developments would meet some housing need but it is not considered to be within the definition of particular needs which is aimed at more vulnerable sections of the community. It is therefore not felt appropriate to add key worker accommodation for tourist developments to category (a) in the policy. Staff accommodation, which is not built as individual houses but as communal or flatted accommodation, would fall within

category (b).

No modification is proposed to the Plan.

Lynne Palmer (00239/8/001): Whilst the Council acknowledges there is a need to increase choice in the housing supply it is for the market to deal with this rather than through policy RD6. The Council's Housing Need & Demand Assessment Housing Need and Demand Assessment (2009) page 140, paragraph 11.1 (S4\_Doc\_739), identifies the increase in single households throughout Perth and Kinross however, they are not considered as a whole to be a vulnerable group (although it is understood that within the category there will be vulnerable sections) and the supply of new one-bedroom flatted units will come through the general market. It is highlighted that in some areas demand can change rapidly with the completion of a development, especially in small settlements, and therefore housing needs should be looked at on a site by site basis rather than through this policy. It is not a matter for the Plan but the relevant affordable housing policy requirement accommodation need in an area for certain types of accommodation is determined by the Council's Housing service and there may be a preference for one-bedroom accommodation in some cases. The Council's Local Housing Strategy Local Housing Strategy (2011-2016) section 7, page 40 (S4\_Doc\_255), details the Council's strategy for assisting people with particular needs and earlier on page 16 sets out the priorities for addressing housing requirements.

No modification is proposed to the Plan.

#### Additional Information

In addition to the representations on Policy RD4 a number of comments were submitted on the associated Supplementary Guidance. These were considered by the Council's Enterprise and Infrastructure Committee on 7 November 2012. The committee report, which includes the approved responses to the comments made in appendix 1, can be found in the report to the Enterprise and Infrastructure Committee on 7 November (Core\_Doc\_160) for information.

#### **Reporter's conclusions:**

##### Change to Policy RD4 - Percentage quota

1. The requirement to provide 25% affordable housing follows the benchmark figure in Scottish Planning Policy (SPP). The Housing Needs and Demand Assessment confirms that, throughout the authority area, significantly more than 25% of households are unable to rent or buy in the market. Under the terms of SPP therefore, a more demanding policy requirement could have been set. However, a careful balance needs to be struck, as the deliverability of a development site potentially decreases with the proportion of affordable housing that is demanded. The aim of the policy is to secure the delivery of affordable houses, which will not happen if market housing development schemes, on which an important component of the affordable housing supply relies, do not come forward. Bearing in mind the current economic climate and the lack of any evidence that the development industry will recover in the immediate future, the council's decision not to set the requirement above the national benchmark is pragmatic and reasonable

##### Change to Policy RD4 wording – Flexibility

2. In order to deliver affordable housing in sufficient numbers, SPP expects authorities to apply innovative and flexible approaches. Policies on affordable housing provision are

required to be realistic and to take into consideration development viability and the availability of funding. The council's commitment to flexibility can be seen in how it has handled proposals in the past. However, bearing in mind the explicit reference to affordable housing policies in SPP (rather than to how authorities undertake their development management function), the council's commitment to flexibility should be set out within the policy itself.

#### Highlight alternative tenures in Policy RD4 wording

3. The third paragraph of the policy adequately recognises the scope for different tenures, sizes and types of affordable housing and confirms that this will be a matter for agreement on a case by case basis. There is no need for the policy to list the alternative tenures of affordable housing that might be accepted. This depends on individual circumstances including site characteristics and the nature and extent of housing need in the locality.

#### Location of Affordable Housing Contribution

4. It may be true that rates of car ownership amongst households in need of affordable housing are lower than in the population generally. However, it would not be appropriate for the plan to seek to direct all affordable housing to town centres or to seek to reserve brown field sites in those locations for affordable housing. It is generally preferable for affordable housing to be provided as an integral part of a market housing development rather than on a separate site, and this will inevitably require development to take place on greenfield as well as brownfield land and in a wide range of locations including on the edges of settlements. Often the cost of developing brownfield sites is such that an element of market housing is essential if a proposal is to be viable. The policy requires all sites of five or more units to provide for affordable housing in some way. There may be a need for affordable housing in more rural areas, to provide accommodation for rural workers so it cannot be assumed that a more urban situation is necessarily preferable. But if a site's location appeared genuinely unsuitable for affordable housing, the policy permits the provision to be made elsewhere. This provides adequate scope for these issues to be addressed.

#### Change to Policy RD6 criteria

5. It is appropriate for the policy to refer to "particular needs housing accommodation" rather than to "accommodation for an ageing population". The latter term is likely to describe a significant proportion of the former but not all, and it would be unhelpful if the policy did not deal with the particular needs of, for example, younger people in need of care. These types of accommodation are all best suited to a residential environment, where opportunities for community integration and convenient access to services can be secured. It is appropriate therefore for the policy to require such development to be located within a residential area.

6. Houses in Multiple Occupation are a form of particular needs housing. Considerations relating to these may be different to others, but the policy deals with this by specifying a different series of assessment criteria. There is no reason to omit this form of housing from the policy.

7. The term "retirement village" is insufficiently precise for it to be referred to in this policy. Some residents of such accommodation may have particular housing needs but that is not necessarily the case. A market housing "retirement village" development that



has minimum age stipulations for potential occupiers but no other features to address particular needs is not comparable to the specialised forms of accommodation that this policy seeks to address.

Addition to Policy RD6 to include new definition

8. On-site key worker housing at tourist developments is dissimilar to the particular needs housing that this policy addresses. And the requirement of the policy for such housing to be situated in residential areas would clearly be incompatible to the provision of on-site staff accommodation at a rural hotel. The consideration of proposals for key-worker housing need to be considered on a case by case basis and there are no grounds to include such housing within the scope of this policy.

9. One bedroom flats are occupied by all ages and sectors of society and do not necessarily accommodate persons who could be described as having a particular housing need. There is no reason to include them within the scope of this policy. The council and developers need to work together to ensure that the mix of residential units in any development scheme is appropriate to identified needs and demands. In that way, the provision of one bedroom flats, where justified should easily be achievable through the development management process.

**Reporter's recommendations:**

Change to Policy RD4 wording – Flexibility

1. Modify Policy RD4 by adding a sentence to the end of the third paragraph to read as follows:

*“The Council will consider innovative and flexible approaches to the delivery of affordable housing and will take into account considerations that might affect deliverability such as development viability and the availability of funding.”*